



## a newssheet for journalists

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As each year, EUROFOCUS is taking a short break.  
It is back in September.

Mailed from Brussels X

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BANKING: Cross-border payments are expensive but not too slow

The findings of a study carried out for the European Commission.

Banks charge ECU 20\* on average for transferring ECU 100\* from one EC country to another. Worse yet, in more than 40% of cases the beneficiary also must pay bank charges, even though the person making the credit transfer had stipulated that all charges were for his account. These are among the findings of a study carried out early this year on behalf of the European Commission, which felt that the average time taken to carry out a transfer - between four to five working days - was reasonable. The study also found that banks in the north of the EC handled "European" payments more effectively than those in the south.

A study carried out last year by the European Consumers' Organization (BEUC), and based on 176 bank transfers, concluded that the service was both too expensive and too slow. This time round those conducting the survey sent around 1,000 actual credit transfers, of ECU 100 each, between 34 banks in all 12 EC countries.

They had to pay between ECU 14 and 33 in bank charges, depending on the country. As for the beneficiaries, they had to pay further charges in 42% of cases, for amounts ranging from ECU 5 to 15 in half these cases. In other words, they did not receive the full amount, despite the clear instructions given by the sender. This system of "double charging" exists in all EC countries but nowhere is it practised on a systematic basis.

It took between one and ... 70 working days for the transfers to reach their beneficiaries; three of the transfers had not reached their destination 20 weeks after the transfer order. However, the average time calculated was 4.6 working days, which is in line with the recommendation adopted in 1990 by the European Commission. This allows for a maximum of two working days per bank involved. A bank transfer usually involves three banks at most.

On the whole, the most rapid and least expensive countries are the Netherlands, followed by Denmark, with Britain in third place. At the other end are Spain, Italy and, in last place, Greece. The best service, when making a credit transfer, is offered by banks in Denmark, the Netherlands and Luxembourg - in that order; the best "recipient" countries are Britain, followed by the Netherlands and Ireland.

... / ...

Why do "European" credit transfers cost so much? Exchange operations are not the cause, given that they account for only 1.4% of costs on average. However, the absence of a European network, linking the various national payment systems, affects costs unfavourably. In addition, telecommunications tariffs are higher for calls between EC countries than within them.

But the fact that a bank transfer to another EC country can cost up to 24 times more than a transfer within national boundaries is abnormal, in the Commission's view. Indeed, there are unexplained elements in the charges customers are asked to pay. And the latter are provided very little information by the banks.

The study shows that of the 280 bank branches surveyed, fewer than 4% hand out brochures with specific information on transfer charges; 21% provide some written information on their charges while 68% provide no written information at all.

The European Commission ordered this study in order to find out how far banks are implementing the "user's charter" which they themselves adopted in March 1992. Under this charter, in force since the end of last year, EC banks must inform their customers in writing of their cross-border money transfer services and the cost of such services to the customer, who must be given the possibility of meeting all the costs himself.

The Commission believes action is needed. However, before deciding on the course of action, it plans to consult representatives of the banks, consumer organizations and small and medium-sized enterprises this autumn. The problem is an important one, given that 1% of payments, other than in cash, in the 12-nation Community are cross-border payments.

\* 1 ECU = UK£0.76 or IR£0.80



INDUSTRIAL DESIGN: Towards the protection of teaspoons and teapots?

European Commission proposes that designs be protected for 25 years throughout the Community.

The European Commission has proposed the introduction of a system of Community-wide protection for industrial design. The system would cover a wide range of items, including not only designs for products as widely different as forks and overcoats but also a new material for a coffeepot. Thanks to a certificate delivered by a European Community design office, those who had created the new designs would have the exclusive right to market these products throughout the EC.

Industrial design is increasingly responsible for the success or failure of a product. Unfortunately designs are not protected equally effectively in all 12 EC countries. Only the three Benelux countries have introduced a joint system, which protects industrial designs for a 15-year period in Belgium, the Netherlands and Luxembourg. Everywhere else the nature of the protection and its duration vary considerably. Legislation to this effect is non-existent in Greece, for example. Designs are protected for 10 years in Spain, 20 in Germany and 50 in France.

Because of these differences, some Member States refuse to extend the same high level of protection enjoyed by domestic creations to designs imported from EC countries with lower levels of protection. The result is a certain amount of confusion and, what is more to the point, inequality of treatment, which is contrary to the principle of a single market.

To ensure that designers are on an equal footing throughout the EC, the European Commission plans to act on two fronts. It wants to harmonize existing national laws by means of an EC directive, on the one hand and, on the other, to create a Community certificate of protection by means of a regulation. This means that there would be two systems operating in parallel. Manufacturers who wanted to, could protect their designs and models by using the cheaper and more rapid EC registration procedure (cost: Between ECU 200\* and 400). Smaller manufacturers, who intended marketing their designs on a much smaller scale, could

continue to follow the various national registration procedures. An automatic system, providing protection for a 3-year period, is also envisaged for designs which are not registered.

The designs to be protected, whether at the national or Community level, would have to be "new" and possess "individual character". In other words, they will not have been shown to the public already and will not give professionals a feeling of "déjà vu". If designs meet these two conditions, they could enjoy protection for a period of 5 to 25 years.

In principle, all designs and models would be covered by the directive and regulation - that is to say, even a new type of car door could be protected. Independent manufacturers of spares, insurance companies and consumer organizations had asked the Commission not to introduce such an extended period of protection for such items, as otherwise the price of spares would rise, as would insurance premiums. This would be contrary to the interests of the consumers, in their view. Car manufacturers, however, had argued in favour of a high level of protection, so that they could write off the large sums invested in the development of new models. Under the compromise proposed by the Commission, repairs could be carried out using spares bought from an independent manufacturer, but only three years after the introduction of the model in question.

\* 1 ECU = UK£0.76 or IR£0.80

CONSUMERS: Coming soon, the complete consumer's guide

European Commission proposes a new action plan for consumers.

The European Commission presented a 3-year programme - 1993 to 1995 - in mid-July, aimed at improving consumer protection within the European single market.

The programme seeks notably to provide consumers a practical guide to the single market, as well as a series of national or sectorial guides. The Commission will also (1) see just how it could provide legal aid to European citizens in case of cross-border disputes on consumer matters and (2) try to develop new and simplified ways of settling disputes for which a recourse to the courts is not always the best solution - because the amount of money at stake is small, for example.

The Commission also plans to tackle another major problem, that of the cost of cross-border payments, which is often very high. The European Commissioner for consumer affairs, Mrs. Christiane Scrivener, in fact wants banks to give a firm undertaking they will charge customers more moderately. She believes banks should transfer small sums free of charge, for example (see also pages 2 and 3).

Mrs. Scrivener has also announced that she will do all she can to ensure the rapid adoption of the consumer legislation, which is pending with the EC Council of Ministers. The legislation in question covers such matters as time sharing, orders placed with mail-order firms and the introduction of the European home and leisure accident surveillance system (EHLASS).

AGRICULTURE: The number of farms has fallen sharply

1.2m. agricultural holdings disappeared during the 1980s, a fall of over 13%.

No fewer than two million agricultural workers left the land during the 1980s, reducing the agricultural labour force by some 10%, while the number of individual agricultural holdings fell by more than 13%. These are some of the findings of a survey by Eurostat, the EC's statistical office, which were published in mid-July.

The survey also highlights the shift towards larger holdings, on the one hand, and a growing specialization on the other. The number of agricultural holdings fell by 33% in Denmark, 26% in Belgium and 23% in Ireland and Luxembourg between 1980 and 1990. The fall was less pronounced in Italy (6%) and Greece (7%). The EC's total agricultural area fell by only 1.4%, however, because most farms which closed down were taken over by those still in operation.

Of the 8.2m. agricultural holdings which were to be found in the EC at the end of the 1980s, 32% were Italian, 19% Spanish and 12% French. France accounts for nearly one-fourth of the EC's total agricultural area. Spain is next (21%), followed by the U.K. (14%).

Britain is the Member State with the highest agricultural area per holding in the EC, with 67.9 ha. It is followed by Denmark (34.2 ha) and Luxembourg (32.1 ha). The smallest average holdings are to be found in Greece (4 ha), Italy (5.6 ha) and Portugal (6.7 ha). Productivity is highest in the Netherlands, thanks to its specialized farms. Belgium and Italy occupy second and third places, but some way behind the Netherlands. Ireland, Spain and Portugal bring up the rear.

CONSUMERS: Stricter controls on banks?

European Commission proposes stricter rules to the Twelve.

The BCCI scandal (Bank of Credit and Commerce International) has not faded from public memory, and least of all from the memories of those who lost their savings. The bank, which had its registered offices in Luxembourg but was run from London, was able to "mislay" the sums deposited by its customers because it could evade official scrutiny for a long time. In order to prevent such a situation from arising again, the European Commission proposed to the Twelve at the end of July that stricter rules be added to the "European laws", whether already in existence or in preparation, on the control of banks as well as insurance companies and stock broking firms.

The Commission has proposed in particular that EC banks and insurance companies be required hereafter to locate both their registered office and management in the same country. In addition, the outside experts entrusted with the task of verifying their accounts should draw the attention to the authorities to any anomaly uncovered by them.

SINGLE MARKET: ECU 9 million for former customs agents

European Commission adopts the first redeployment projects.

In south-west Germany five people who were earlier employed by a firm of forwarding agents have set up their own import-export firm, specializing in tropical fruit. In Normandy, in north-west France, five former customs agents are now offering their services as tax consultants, with emphasis on VAT formalities. These are just two examples of projects which are benefitting from the ECU 9m.\* granted by the European Commission at the end of July to six\*\* EC countries, to facilitate the redeployment of professionals who have been adversely affected by the elimination of customs formalities at the EC's internal borders.

This financial aid is part of an ECU 30m. budget adopted by the Twelve last December. It is part of an ECU 400m. Community action plan designed to help customs agents adapt to the single market.

\* 1 ECU = UK£0.76 or IRE£0.80

\*\* Belgium, France, Germany, Ireland, Portugal and Spain.



PUBLICATIONS: A European guide to "ecological" courses ...  
... and a detailed panorama of European manufacturing and service industries.

With a view to filling a gap in the information available to secondary school-leavers, businesses, government departments and many other Europeans, the European Commission published at the end of July a European guide to institutions of higher education offering courses in "ecological" subjects. Some 600 pages long, the guide lists all universities, schools and institutions in the 12-nation European Community which offer environment-related courses, whether in the fields of agriculture, law, medicine or some other discipline.

For each educational establishment the guide indicates the area of studies, diploma awarded, contents and duration of the course, conditions of admission, registration fees and job opportunities. The guide is priced at ECU 20\*.

Those interested in economics will learn from the 1993 edition of the annual "Panorama of EC Industry" that Europe now has more of the world's 200 largest companies than the United States - 79 as compared to 68 for the U.S. Europeans are also granted more patents than the Americans and Japanese.

In 180 chapters, each devoted to a sector of manufacturing and service industries in the 12-nation EC, the "Panorama" offers a wealth of statistical material, collected by Eurostat, the EC's statistical office. The volume is priced at ECU 125 and is available in English, German, French, Italian and Spanish.

Both the educational guide and the "Panorama" can be obtained from the official agents for EC publications in Britain and Ireland:

Ireland:

Government Supplies Agency  
4-5 Harcourt Road  
Dublin 2  
Tel.: (1) 61 31 11  
Fax: (1) 78 06 45

United Kingdom:

HMSO Books (Agency section)  
HMSO Publications Centre  
51 Nine Elms Lane  
London SW8 5DR  
Tel.: (071) 873 9090  
Fax: (071) 873 8463  
Telex: 29 71 138

\* 1 ECU = UK£0.76 or IR£0.80